



## Hitachi and UMC End Trecenti Joint Venture Agreement

*300mm facility will become Hitachi's wholly owned subsidiary*

**Tokyo, Japan and Taipei, Taiwan, February 19, 2002** -- Hitachi, Ltd. (Hitachi)(NYSE: HIT) and United Microelectronics Corporation (UMC)(NYSE:UMC), today announced that they have agreed to discontinue the joint management of Trecenti Technologies, Inc. (Trecenti), the 300mm fab company located in Hitachinaka City, Ibaraki prefecture, Japan. To complete the transaction, Hitachi will acquire the entire 40% of Trecenti stock owned by UMC, making Trecenti a wholly owned subsidiary of Hitachi.

The transaction will be closed by the end of April 2002.

Trecenti was established in March 2000. It started manufacturing operations in March 2001 and was the world's first company with a 300-mm wafer plant in mass production. The company has realized quick turn around times by using single wafer processing, and world leading cost-performance with leading-edge process technologies down to 0.13-micron. However, facing the present semiconductor industry downturn, Hitachi and UMC have decided to focus their resources on their individual company's respective 300mm efforts. UMC will concentrate on its wholly owned Fab 12A in Taiwan and UMCi subsidiary in Singapore, while Hitachi focuses on Trecenti. Trecenti's UMC employees will return to UMC, while those transferred or dispatched from Hitachi will remain at Trecenti.

"Hitachi will use Trecenti, which will be our most advanced fab, along with Hitachi Nippon Steel Semiconductor Singapore Pte. Ltd. and the N2 line in Naka, in order to manufacture System LSIs , flash memories and SRAMs ." said Hitachi's Satoru Ito, President & Chief Executive Officer of Semiconductor & Integrated Circuits. "Although UMC and Hitachi will terminate the joint venture agreement regarding Trecenti, we will keep our good relationship."

H. J. Wu, Board Director and General Manager for UMC, said, "The Trecenti joint venture with Hitachi has been a very productive and cooperative effort as we accelerated our 300mm manufacturing learning curve by capitalizing on each other's

respective strengths. However, the current industry slowdown makes it necessary for us to concentrate our resources on our Fab 12A 300mm manufacturing facility in Taiwan, our 300-mm subsidiary company in Singapore, UMCi, and our joint venture company with AMD, AU Pte Ltd. Despite this decision, we look forward to extending the excellent relationship that we have built with Hitachi over the years.”

#### **About Trecenti technologies, Inc.**

Name : Trecenti Technologies, Inc.

Headquarters: 751 Horiguchi, Hitachinaka-city, Ibaraki, Japan

Representative : President , Toshio Nohara

Number of employees: 440 ( as of 31 January, 2002 )

Capital: 30 billion yen ( as of 31 January, 2002 )

Business content: Manufacturing, sales and services of semiconductor products using 300 mm wafer , and its related business

URL : <http://www.trecenti-tech.com>

#### **About Hitachi , Ltd.**

Hitachi, Ltd., (NYSE: HIT, Tokyo Stock Exchange: 6501) headquartered in Tokyo, Japan, is one of the world's leading global electronics companies, with fiscal 2000 (ended March 31, 2001) consolidated sales of 8,417 billion yen (67.9 billion\*). The company manufactures and markets a wide range of products, including computers, semiconductors, consumer products and power and industrial equipment. For more information on Hitachi, Ltd., please visit Hitachi's Web site at <http://global.hitachi.com>.

\* At an exchange rate of 124 yen to the dollar.

#### **About UMC**

UMC (NYSE: UMC, Taiwan Stock Exchange: 2303) is a world-leading semiconductor foundry that manufactures advanced process ICs for applications spanning every major sector of the semiconductor industry. UMC delivers the cutting-edge foundry technologies that enable sophisticated system-on-chip (SOC) designs, including 0.13-micron copper/low k, embedded DRAM, and mixed signal/RFCMOS. In addition, UMC is a leader in 300mm manufacturing with two strategically located 300mm fabs to serve our global customer base: Fab 12A in Taiwan, and UMCi in Singapore (completion in 2002). UMC employs over 8,500 people worldwide and has offices in Taiwan, Japan, Singapore, Europe, and the United States. UMC can be found on the web at <http://www.umc.com>.